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COMPANY DATA:

COMPANY CONFORMED NAME: FREEMARKETS INC
CENTRAL INDEX KEY: 0000949968
STANDARD INDUSTRIAL CLASSIFICATION: SERVICES-BUSINESS SERVICES, N
IRS NUMBER: 043265483

FILING VALUES:

FORM TYPE: S-1/A
SEC ACT:
SEC FILE NUMBER: 333-86755
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BUSINESS ADDRESS:

STREET 1: 22ND FLOOR, ONE OLIVER PLAZA
STREET 2: 210 SIXTH AVENUE
CITY: PITTSBURGH
STATE: PA
ZIP: 15222
BUSINESS PHONE: 4124340500

MAIL ADDRESS:

STREET 1: FREEMARKETS ONLINE, INC.
STREET 2: 22ND FL, ONE OLIVER PLAZA, 210-6TH AVE
CITY: PITTSBURGH
STATE: PA
ZIP: 15222

FORMER COMPANY:

FORMER CONFORMED NAME: FREEMARKETS ONLINE INC
DATE OF NAME CHANGE: 19990809

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<TYPE>S-1/A
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<DESCRIPTION>FREEMARKETS, INC. AMENDMENT NO. 3 TO S-1
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<PAGE> 1

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON NOVEMBER 9, 1999

REGISTRATION NO. 333-86755

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 3

TO

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FREEMARKETS, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)

<TABLE> <S>	<C>	<C>
DELAWARE (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	7389 (PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I IDENT
</TABLE>		

22ND FLOOR, ONE OLIVER PLAZA
210 SIXTH AVENUE
PITTSBURGH, PA 15222
(412) 434-0500

(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

GLEN T. MEAKEM
CHIEF EXECUTIVE OFFICER
22ND FLOOR, ONE OLIVER PLAZA
210 SIXTH AVENUE
PITTSBURGH, PA 15222
(412) 434-0500

(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,
OF AGENT FOR SERVICE)

COPIES TO:

<TABLE> <S>	<C>
MARLEE S. MYERS, ESQ. DAVID A. GERSON, ESQ. ERIC D. KLINE, ESQ. MORGAN, LEWIS & BOCKIUS LLP THIRTY-SECOND FLOOR, ONE OXFORD CENTRE PITTSBURGH, PA 15219-1417 (412) 560-3300 FAX: (412) 560-3399	KEITH F. HIGG ROPES & ONE INTERNATI BOSTON, MA (617) 951 FAX: (617)
</TABLE>	

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on

a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. []

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. []

CALCULATION OF REGISTRATION FEE

<TABLE>

<CAPTION>

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(2)
<S>	<C>	<C>
Common Stock, \$0.01 par value.....	4,600,000	\$16.00

</TABLE>

-
- (1) Includes 600,000 shares issuable pursuant to an over-allotment option granted to the underwriters.
 - (2) Estimated solely for the purpose of computing the amount of the registration fee; based on a bona fide estimate of the maximum offering price per share of the securities being registered in accordance with Rule 457(a) under the Securities Act.
 - (3) Previously paid.
-

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities nor does

it seek an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION. DATED NOVEMBER 9, 1999.

4,000,000 Shares

FreeMarkets, Inc. Logo

Common Stock

This is an initial public offering of shares of common stock of FreeMarkets, Inc. All of the shares of common stock are being sold by FreeMarkets.

Before this offering, there has been no public market for our common stock. We estimate that the initial public offering price will be between \$14.00 and \$16.00 per share. We have applied to have our common stock approved for quotation on the Nasdaq National Market under the symbol "FMKT".

See "Risk Factors" beginning on page 9 to read about factors you should consider before buying shares of our common stock.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
<CAPTION>

	Per Share	Tota
	-----	----
<S>	<C>	<C>
Initial public offering price.....	\$	\$
Underwriting discount.....	\$	\$
Proceeds, before expenses, to FreeMarkets.....	\$	\$

</TABLE>

If the underwriters sell more than 4,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 600,000 shares from FreeMarkets at the initial public offering price less the underwriting discount.

At our request, the underwriters have reserved for sale at the initial public offering price an aggregate of 1,275,000 shares in this offering as follows:

- up to 400,000 shares for a subsidiary of United Technologies Corporation, which is one of our largest stockholders and our largest customer
- up to 350,000 shares for Kleiner Perkins Caufield & Byers IX L.P., an entity affiliated with one of our directors

- up to 350,000 shares for a subsidiary of Dell Computer Corporation
- up to 175,000 shares for our employees and directors

The underwriters expect to deliver the shares against payment in New York, New York on _____, 1999.

GOLDMAN, SACHS & CO.

MORGAN STANLEY DEAN WITTER

DONALDSON, LUFKIN & JENRETTE

WIT CAPITAL CORPORATION

Prospectus dated _____, 1999.

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INSIDE FRONT COVER

The front of the gatefold includes a picture of a die cast metal piston with the following text above it: "At 8:01 am, this piston cost \$3.02. At 8:39 am, it cost \$1.95."

A pull-out text box appears at the upper left-hand corner of the inside gatefold with the following text: "In November 1998, FreeMarkets conducted an online auction for die cast parts, including this piston."

The inside gatefold pages also include three pictures of computer screens, each showing a graph generated by our BidWare software that illustrates prices declining as a FreeMarkets online auction progresses.

The following text appears under the first picture of a bid graph generated at the start of the auction: "At 8:00 am the online auction for all 17 lots, or groups of parts, opened. The first bid for Lot 1, which included this piston and other parts, was above the previous price our client paid. One second later, a new bid was 6% below the previous price paid." A pull-out text box appears over the right-hand corner of the picture and indicates the time the bid graph was generated and the market bid for the contract at that time. The text that appears reads as follows: "8:01 am. 2 Bids Received for Lot 1."

The following text appears under the second picture of a bid graph generated during the middle of the auction: "Sixteen minutes later, 30 bids had been received for Lot 1, with the low bid at 20% below previous price paid." A pull-out text box appears over the right-hand corner of the picture and indicates the time the bid graph was generated and the market bid for the contract at that time. The text that appears reads as follows: "8:16 am. 30 Bids Received for Lot 1."

The following text appears under the third picture of a bid graph generated at the end of the auction: "By the time the bidding for Lot 1 closed, less than 40 minutes after opening, the lowest bid price was 23% below the total previous price paid for all of the parts in this lot." A pull out text box appears over the right-hand corner of the picture and indicates the time the bid graph was

generated and the market bid for the contract at that time. The text that appears reads as follows: "8:39 am. 41 Bids Received for Lot 1."

A paragraph appears in the lower left-hand corner of the inside gatefold with the following text: "Before many people had even heard of the Internet, FreeMarkets was creating successful business-to-business online auctions, such as the one illustrated here."

A pull-out text box appears at the lower right-hand corner of the inside gatefold with the following text: "Total potential savings for this client that day: \$3.7 million."

Our logo, with the word "FreeMarkets" beside it, appears in the lower left-hand corner of the inside gatefold with the following tag-line text below it: "Redefining purchasing power for the Global 1000."

The following text appears at the bottom left of the inside gatefold: "FreeMarkets(R), BidWare(R) and BidServer(R) are registered trademarks and SmartRFI(TM), SmartRFQ(TM) and CBE(TM) are trademarks of FreeMarkets, Inc. in the United States. All other trademarks and service marks mentioned in this prospectus are the property of their respective owners."

The following text appears at the bottom left of the inside gatefold: "Each auction is a distinct event. The results of any auction cannot be predicted, and may not be replicated."

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PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information regarding FreeMarkets, Inc. and our consolidated financial statements and the related notes appearing elsewhere in this prospectus. Unless otherwise indicated, this prospectus assumes the automatic conversion of our outstanding preferred stock into 16,051,438 shares of common stock, effective as of the closing of this offering. This prospectus also assumes no exercise of the underwriters' over-allotment option.

FREEMARKETS, INC.

FreeMarkets creates customized business-to-business online auctions for buyers of industrial parts, raw materials and commodities. We created online auctions covering \$1.0 billion worth of purchase orders in 1998 and \$1.4 billion worth of purchase orders in the nine months ended September 30, 1999. We estimate that the resulting savings for our clients ranged from 2% to more than 25%. Since 1995, we have created online auctions for more than 30 clients in over 50 product categories, including injection molded plastic parts, commercial machinings, metal fabrications, chemicals, printed circuit boards, corrugated packaging and coal. More than 2,000 suppliers from over 30 countries have participated in our auctions. Our current clients include United Technologies Corporation, General Motors Corporation, The Quaker Oats Company, Emerson Electric Company, AlliedSignal Inc. and the Commonwealth of Pennsylvania. Two of our clients accounted for 58% of our revenues during the first nine months of 1999.

Based on industry research and government statistics, we estimate that manufacturers worldwide purchase approximately \$5 trillion each year of "direct materials" -- the industrial parts and raw materials that they incorporate into finished products. Because these direct materials are often custom-made to buyers' specifications, there are no catalogs or price lists to enable buyers to make price comparisons. The process of purchasing direct materials is further

complicated by the fragmentation of supply markets and the importance of product quality in supplier selection. Because this complexity leads to market inefficiencies, we think that buyers of direct materials often pay prices that are too high.

The Internet offers an opportunity to create more efficient markets for direct materials. As the number of Internet users has grown, large companies have increasingly adopted electronic commerce as a way to do business. Forrester Research estimates that United States business-to-business electronic commerce will grow from \$109 billion in 1999 to \$1.3 trillion in 2003, accounting for 90% of the dollar value of all electronic commerce by 2003. However, because of the complexity of direct materials purchasing, we believe that Internet technology alone cannot solve the problems faced by large industrial buyers. To solve these problems, we think that Internet technology must be combined with services that are customized to buyers' needs.

We combine our proprietary BidWare Internet technology with our in-depth knowledge of supply markets to help industrial buyers obtain lower prices and make better purchasing decisions. In a FreeMarkets online auction, suppliers from around the world can submit bids in a real-time, interactive competition. Our auctions are "downward price" auctions in which suppliers continue to lower their prices until the auction is closed. Before each auction, we work with our client to identify and screen suppliers and assemble a request for quotation that provides detailed, clear and consistent information for suppliers to use as a basis for their competitive bids. Our service, which we call "market making", creates a custom market for the direct materials or other goods or services that our client purchases in a particular auction.

We seek to be the world's leading provider of business-to-business online auctions. Our strategy is to extend our client base in our target market of large purchasing organizations. We also intend to expand into additional product categories where our online auctions can generate savings for buyers and to add new functions and features to our BidWare technology to further automate portions of our market making process.

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THE OFFERING

Shares offered by FreeMarkets.....	4,000,000 shares
Shares to be outstanding after the offering.....	34,354,958 shares
Use of Proceeds.....	For working capital and general corporate purposes. See "Use of Proceeds".
Proposed Nasdaq National Market Symbol.....	"FMKT"

The number of shares to be outstanding after this offering is based on our shares of common stock and preferred stock outstanding as of September 30, 1999. This number excludes 11,396,830 shares issuable upon the exercise of options and Series A and Series B warrants outstanding as of September 30, 1999.

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SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables summarize the consolidated financial data for our business. You should read this data along with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes. Potentially dilutive common shares have been excluded from the shares used to compute earnings per share in each loss year because their inclusion would be antidilutive. Pro forma earnings per share data reflect the conversion of all outstanding preferred stock into common stock, even if the effect of the conversion is antidilutive. As adjusted consolidated balance sheet data reflect the issuance of shares in this offering at an assumed initial public offering price of \$15.00 per share and after deducting the estimated underwriting discount and the expenses of this offering.

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,			NINE SE
	1996	1997	1998	1998
				(UNAUDIT
<S>	<C>	<C>	<C>	<C>
CONSOLIDATED STATEMENT OF OPERATIONS DATA:				
Revenues.....	\$ 409	\$ 1,783	\$ 7,801	\$ 4,
Gross (loss) profit.....	(97)	634	3,543	1,
Operating costs:				
Research and development.....	394	292	842	
Sales and marketing.....	321	586	656	
General and administrative.....	630	837	2,026	1,
Stock-based expense.....	--	--	--	
Operating (loss) income.....	(1,442)	(1,081)	19	(
Net (loss) income.....	(1,431)	(1,061)	234	
Earnings per share:				
Basic.....	(.14)	(.10)	.02	
Diluted.....	(.14)	(.10)	.01	
Shares used to compute earnings per share:				
Basic.....	10,316,599	10,618,481	11,191,670	10,990,
Diluted.....	10,316,599	10,618,481	26,776,611	25,224,
Pro forma earnings per share:				
Basic.....			\$.01	
Diluted.....			.01	
Shares used to compute pro forma earnings per share:				
Basic.....			22,575,470	
Diluted.....			26,776,611	

</TABLE>

<TABLE>
<CAPTION>

	AS OF SEPTEMBER 30, 19	
	ACTUAL	AS ADJUS
<S>	<C>	<C>
CONSOLIDATED BALANCE SHEET DATA:		
Cash and cash equivalents.....	\$22,259	\$75,75
Working capital.....	33,717	87,21

Total assets.....	45,677	99,17
Long-term debt, excluding current portion.....	1,976	1,97
Total stockholders' equity.....	37,761	91,26

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AUCTION VOLUME AND CLIENT DATA

The following data represent the aggregate volume of all direct materials, commodities and services for which we have conducted an online auction, and the number of clients that we have served, in the periods presented.

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,			NINE MONTH SEPTEMBER
	1996	1997	1998	1998
<S>	<C>	<C>	<C>	<C>
Auction volume (in millions).....	\$124	\$257	\$979	\$615
Number of clients.....	8	13	12	11

Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Determination of Auction Volume and Achievable Savings" for a discussion of how we calculate auction volume.

Our executive offices are located at One Oliver Plaza, 22nd Floor, 210 Sixth Avenue, Pittsburgh, PA 15222. Our telephone number is (412) 434-0500, our facsimile number is (412) 434-0508, and our Internet address is www.freemarkets.com. The information on our website is not a part of this prospectus.

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RISK FACTORS

You should carefully consider the risks and uncertainties described below and the other information in this prospectus before deciding whether to invest in shares of our common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not known to us or that we now believe to be unimportant could also impair our business. If any of the following risks actually occurs, our business, financial condition or operating results could be negatively affected. If this happens, the trading price of our common stock could decline, and you may lose part or all of your investment.

OUR LIMITED OPERATING HISTORY MAKES EVALUATING OUR BUSINESS AND FUTURE PROSPECTS DIFFICULT

FreeMarkets has a very limited operating history. Our company was founded in 1995 and did not generate a significant amount of revenues until 1998. Because our operating history is so limited, it is very difficult to evaluate our business and our future prospects. We will encounter risks and difficulties frequently encountered by companies in an early stage of commercial development

in new and rapidly evolving markets. In order to overcome these risks and difficulties, we must, among other things:

- execute our business and marketing strategy successfully;
- increase the number of industrial buyers t

THE FREEMARKETS SOLUTION

We combine our proprietary BidWare Internet technology with our in-depth knowledge of supply markets to help industrial buyers obtain lower prices and make better purchasing decisions. In a FreeMarkets online auction, multiple suppliers from around the world can submit bids for a buyer's purchase order in a real-time, interactive competition. Our auctions, in contrast to those designed for sellers, are "downward price" auctions in which suppliers continue to lower their prices until the auction is closed. For each auction, we work with our client to identify and screen suppliers and to assemble a request for quotation that provides detailed, clear and consistent information for suppliers to use as a basis for their competitive bids. Our service, which we call "market making", creates a custom market for the goods or services being purchased by our client in a particular auction. Our solution provides:

- SUBSTANTIAL SAVINGS. Our online auctions can deliver substantial savings to our clients. Depending upon the nature of the direct materials or services being bid, savings typically range from a few percentage points on purchases of commodities to more than 25% on purchases of

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custom industrial components, with even greater savings at times. Clients often begin to save with the first auction we conduct.

ROBUST INTERACTIVE TECHNOLOGY. Our BidWare Internet technology facilitates dynamic competitive bidding by enabling suppliers to submit bids in real time and to view competing bids within seconds after their submission. Our technology is also flexible. We can easily configure our BidWare software in many different formats to address the characteristics of a particular supply market and to achieve the particular objectives of each of our clients. In addition, we engage in a continuous process of improving our technology by adding new functions and features that we develop through our auction experience.

- TAILORED APPROACH TO CLIENTS' NEEDS. We tailor our services to meet the needs of each client. Our clients are typically large corporations that purchase a wide variety of industrial parts, raw materials and commodities. Each client has its own unique organizational structure, approach to purchasing and specific purchasing objectives. We work with each client to identify the portions of their purchases that are best suited for our market making approach and we design a program of services that meets their needs.
- IN-DEPTH KNOWLEDGE OF SUPPLY MARKETS. We develop and manage specialized information about many different product categories. Each time we conduct an auction for a client, we add to the knowledge we can apply to our business. We maintain a database of thousands of potential suppliers, with information about their manufacturing processes, quality assurance practices, market focus and facilities. This in-depth knowledge enables us to provide our clients with market information that they cannot easily generate themselves or obtain from other sources.
- MARKET INTEGRITY. We have designed our market making service to enable our clients to evaluate competing suppliers on the basis of price, quality and performance in a process that is intended to be fair to all participating suppliers. The request for quotation that is sent to potential suppliers provides detailed and clear specifications, so that all suppliers who participate in a FreeMarkets online auction have consistent information to use as a basis for their bids. Buyers and

suppliers who participate in our auctions agree in advance to a set of auction rules which are designed to ensure the integrity of the markets that we create. These rules give participating suppliers the confidence to submit their best bids.

THE FREEMARKETS STRATEGY

We seek to be the world's leading provider of business-to-business online auctions. The key elements of our strategy are:

- EXTEND OUR CLIENT BASE. We intend to extend our client base in our target market of Global 1000 corporations and other large enterprises, particularly those whose purchasing needs include custom-engineered industrial parts or other customized goods or services obtained from fragmented supply markets. We also successfully serve the Commonwealth of Pennsylvania, and believe that our service can attract other governmental entities. In order to become better known in our target markets, we plan to hire additional sales and marketing personnel and increase our marketing and advertising expenditures on brand development.
- EXPAND INTO ADDITIONAL PRODUCT CATEGORIES. We intend to expand into additional product categories where our online auctions can continue to generate savings for buyers. We plan to identify these markets by working with our existing and prospective clients to determine additional direct materials, services and commodities that would be appropriate for our solution and by hiring personnel with expertise in a variety of product categories. We believe that knowledge of additional product categories will enable us to expand our relationships with our existing clients, as well as to serve new clients.